

**MINUTES OF THE  
ECONOMIC DEVELOPMENT AND REVENUE  
APPROPRIATIONS SUBCOMMITTEE**

Room W140 West Office Building, State Capitol Complex

September 25, 2008

**Members Present:** Sen. Bill Hickman, Co-Chairman  
Rep. Sheryl Allen, Co-Chairman  
Sen. Gene Davis  
Sen. Dan Eastman  
Rep. Jim Bird  
Rep. Jackie Biskupski  
Rep. Julie Fisher  
Rep. Steven R. Mascaro

**Staff Present:** Dr. Andrea Wilko, Chief Economist  
Dr. Thomas Young, Economist  
Jennifer Eyring, Committee Secretary

**Note:** A list of visitors and a copy of handouts are filed with the committee minutes.

Rep. Allen called the meeting to order at 10:50 a.m.

Dr. Andrea Wilko explained the handouts given to the committee and the budget items under consideration.

**Department of Community and Culture**

Ally Isom, Deputy Director, Department of Community and Culture, gave an overview of the department's proposed 3% cuts and some of the impact they would have.

Kimbal Hale, Finance Director, Department of Community and Culture, further elaborated on the proposed cuts.

Margaret Hunt, Director, Division of Arts and Museums, answered questions from the committee concerning the Hale Center Theatre, executive salaries, and contract language.

The committee requested specific information concerning which DCC funds have been distributed and which funds are still held.

Other questions from the committee were addressed.

## **Governor's Office of Economic Development**

Jason Perry, Executive Director, Governor's Office of Economic Development, reviewed their proposed cuts. The Balance Scorecard is used to determine each program's benefit to the state.

## **USTAR**

Ted McAleer, Executive Director, USTAR, discussed the program's proposed cuts and the desire to protect the star faculty program. Questions from the committee were addressed.

MOTION: Rep. Fisher moved to approve the proposed cuts from the Department of Community and Culture, Economic Development, Sports Authority, USTAR, and Restricted Revenue - Motion Picture Incentive Funds, as listed on lines 124-162 of the "3% State Agency Cut Proposals" page.

SUBSTITUTE MOTION: Sen. Hickman moved to exclude the Department of Community and Culture from the motion.

The substitute motion passed unanimously with Rep. Biskupski absent for the vote.

## **Tax Commission**

Rod Marrelli, Executive Director, Tax Commission, assisted by Julie Alsop, Budget Officer, Tax Commission, provided an overview of their proposed cuts. The Commission requested to use \$500,000 from the Sales Tax Administration Fee restricted account to preserve funds for personnel. Questions from the committee were addressed.

The use of restricted funds was discussed.

MOTION: Rep. Allen moved to replace the Economist position, lines 94 and 99, with the vacant position Research Analyst, Business System Supervisor in the Motor Vehicle Division.

SUBSTITUTE MOTION: Sen. Eastman moved to replace the Economist position, lines 94 and 99, with other FTE positions.

The substitute motion passed unanimously with Rep. Biskupski absent for the vote.

MOTION: Sen. Eastman moved to recess the meeting until 2:30 p.m.

The motion passed unanimously with Rep. Biskupski absent for the vote.

The meeting was recessed at 12:10 p.m.

## **Afternoon session**

Rep. Allen called the meeting to order at 2:40 p.m.

### **Department of Community and Culture**

Kimbal Hale provided an explanation of the handout entitled "Status of DCC One-Time and Ongoing Pass Through as of September 25, 2008". This handout was in response to the committee's request for a breakdown of funds spent and funds held. Ally Isom and Margaret Hunt assisted in answering questions from the committee. The committee discussed concerns that funding not be used for executive salaries.

MOTION: Sen. Hickman moved to reduce the ongoing funding for the Hale Center Theatre from \$100,000 to \$37,000 found on line 42 of the "Status of DCC One-Time and Ongoing Pass Through" handout. This would also affect line 132 on the "3% State Agency Cut Proposals" chart.

The motion passed unanimously with Sen. Davis and Rep. Biskupski absent for the vote.

MOTION: Sen. Hickman moved to leave the \$3,000 reduction in line 132 of the "3% State Agency Cut Proposals", Arts Grant Reductions.

The motion passed unanimously with Sen. Davis and Rep. Biskupski absent for the vote.

MOTION: Sen. Hickman moved to take the remaining \$60,000 reduced from the Hale Center Theatre funds to reduce the cuts to Huntsman Cancer Center from \$250,000 to \$190,000, as found on line 58 of the "Additional 1% Cut Options" chart.

The motion passed unanimously with Sen. Davis and Rep. Biskupski absent for the vote.

MOTION: Sen. Hickman moved to accept the list presented by the Department of Community and Culture, lines 124 through 148, "3% State Agency Cuts Proposals", as amended by the committee.

The motion passed unanimously with Sen. Davis and Rep. Biskupski absent for the vote.

### **Tax Commission**

MOTION: Sen. Eastman moved to accept the proposal from the Tax Commission to use \$500,000 from the restricted account - Sales Tax Administration Fee Account, for the purpose of keeping personnel.

The motion passed unanimously with Rep. Biskupski absent for the vote.

MOTION: Rep. Mascaro moved to accept the Tax Commission 3% reductions as outlined on the "Utah State Tax Commission" handouts.

Rod Marrelli and Julie Alsop from the Tax Commission answered questions from the committee concerning the restricted account.

Rep. Mascaro's motion passed unanimously with Rep. Biskupski absent for the vote.

### **Additional 1% Cut Options**

Dr. Wilko explained the pages entitled "Additional 1% Cut Options" and "Additional 1% Hold Harmless Options".

MOTION: Rep. Allen moved to reduce the remaining amount for the Southwest Symphony from \$38,800 to \$30,000 and to reduce the remaining amount for the Humanities Council from \$63,000 to \$60,000 as found on lines 41 and 43 of the "Status of DCC One-Time and Ongoing Pass Through as of September 25, 2008" page.

The motion failed with Sen. Eastman, Sen. Davis and Sen. Hickman voting against the motion.

MOTION: Sen. Davis moved to reduce the following out of the ongoing budget.

Utah State Tax Commission	
2 Auditors	(137,800)
1 Office Tech	(40,500)
1 Accounting Tech	(49,900)
2 Compliance Agents	(109,400)
1 Business System Supervisor	(73,000)
2 Tax Title and Registration Techs	(89,400)
Huntsman Cancer Center	(190,000)
Hale Center Theatre	(60,000)
Utah Sports Commission	(183,500)

The motion passed unanimously with Rep. Biskupski absent for the vote.

MOTION: Sen. Davis moved to replace the following with one-time General Funds.

Utah State Tax Commission	
2 Auditors	137,800
1 Office Tech	40,500
1 Accounting Tech	49,900
2 Compliance Agents	109,400
1 Business System Supervisor	73,000
2 Tax Title and Registration Techs	89,400
Huntsman Cancer Center	250,000
Utah Sports Commission	183,500

The motion passed with Rep. Bird and Rep. Fisher voting no and Rep. Biskupski absent for the vote.

MOTION: Sen. Hickman moved to adjourn the meeting.

The motion passed unanimously with Rep. Biskupski absent for the vote.

Rep. Allen adjourned the meeting at 3:57 p.m.

---

Sen. Bill Hickman, Co-Chair

---

Rep. Sheryl L. Allen, Co-Chair